

The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #02984-88

8 September 1988

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: National Intelligence Officer for Warning

FROM: William R. Kotapish
National Intelligence Officer for Counternarcotics

SUBJECT: Report on 18 August 1988 NIO/Counternarcotics
Warning and Forecast Meeting

1. The 18 August Warning and Forecast Meeting was devoted principally to substantive briefings on the current political situations in Afghanistan (with fifty percent of Soviet troops having now exited the country) and Burma (with antigovernment demonstrations) and the impact of these developments on narcotics production and trafficking.

Afghanistan

2. The Chief/Afghan Task Force/Directorate of Operations reported that, despite the war, opium production has continued at a brisk pace, with a 300 percent increase since 1980. The 1989 crop planting will continue for the next two months with harvesting in the spring of 1989. All indications point to a reduced yield because of weather conditions. The Soviet departure is unlikely to have any major impact on opium/heroin production.

3. The widespread presence of land mines in opium-producing areas, coupled with the anticipated return of refugees, interjects an unpredictable variable in drug-production calculations. It is probable that we will not see a major change in opium production over the next two to three years.

4. Market prices for opium are declining in Turkey and Armenia. There is apparently a glut of opium on the Afghan and Pakistan markets. This will

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affect next year's production forecast. There has always been a direct link between this year's price of opium and how much the farmer will grow next year.

Burma

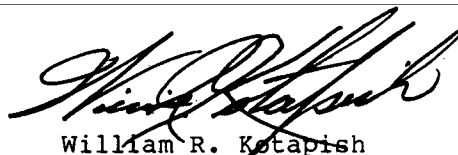
6. A wave of antigovernment demonstrations, the presence of some 15,000 troops in Rangoon, and persistent economic stagnation all have potential for influencing narcotics production and trafficking by the world's leading opium producing country. Some principal observations:

- o The Burmese military is paralyzed and will be hard pressed to continue putting any pressure on the Burmese Communist Party (BCP), which dominates opium production in the eastern portion of the country.
- o The opium growing areas probably have not expanded over the past year, but the density of cultivation has. The growing areas have now moved closer to BCP-controlled areas. The weather has been good.
- o Government control is essential to maintaining the crop eradication program, but the antigovernment demonstrations have sorely tested and eroded the Burmese Army's morale and willingness to battle the narcotics threat.

7. The principal question which now remains is whether a change of government in the provinces will usher in more opium eradication. It is difficult to determine, at this juncture, the direction the Army will go. The Army has had difficulty in maintaining pressure on the BCP even without the current political crisis. In addition, the burgeoning growth of the Indian market will soak up significant Burmese opium production in the near term.

Community Reports

8. State reported briefly on a Latin American trip by the Ms. Ann Wrobleski, Assistant Secretary for International Narcotics Matters. Bolivia was described as "depressing" from a counternarcotics standpoint.


William R. Kotapish

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